

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-97-WS - ORDER NO. 2006-332
MAY 26, 2006

IN RE: Application of Tega Cay Water Service, Inc.)
for Adjustment of Rates and Charges and)
Modification to Certain Terms and Conditions)
for the Provision of Water and Sewer Service.)

ORDER ADOPTING
CONSENT ORDER

This matter comes before the Public Service Commission of South Carolina (the Commission) on a request filed by the Office of Regulatory Staff (ORS) for the issuance of an Order endorsing payment by Tega Cay Water Service, Inc. (Tega Cay or the Company) of certain expert witness' compensation and expenses. We would note that the parties' attorneys have affixed their signatures to a Consent Order that resolves the issues regarding expert witness' compensation and expenses. We have examined said Consent Order, which is attached hereto as Order Exhibit 1, and we hereby adopt its provisions, and incorporate the provisions of the Consent Order herein as fully if repeated herein verbatim.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

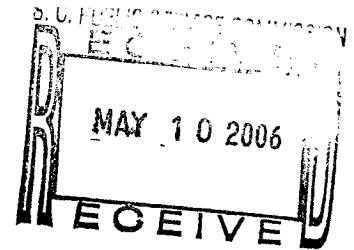
Randy Mitchell, Chairman

ATTEST:

G. O'Neal Hamilton, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-97-WS
May__, 2006



IN RE:

)
)
) Application of Tega Cay Water Service,
) Incorporated for Adjustment of Rates
) And Charges and Modification to Certain
) Terms and Conditions for the Provision
) Of Water and Sewer Service

CONSENT ORDER

This matter comes before the Commission pursuant to the agreement of the South Carolina Office of Regulatory Staff ("ORS") and Tega Cay Water Service, Incorporated ("Tega Cay") under the provisions of S.C. Code Ann. § 58-4-100 (Supp. 2004), which agreement is set forth immediately below.

At the request of ORS and with the consent of Tega Cay, the parties to this consent order and in connection with the above-captioned application have agreed as follows:

1. In connection with the above-captioned proceeding, the Executive Director of ORS has determined that in order to carry out ORS responsibilities it is necessary to contract with an expert witness to provide expertise, consultation, advice and, as needed, testimony on the general subject of the cost of equity capital for Tega Cay and other matters as needed. The fees of the expert will be an amount not to exceed \$10,000.00. Travel expenses of the expert will be an amount not to exceed \$830.00. ORS understands this amount does not exceed the compensation

DOCKET NO. 2006-97-WS – ORDER NO. 2006-
MAY __, 2006
PAGE 2

generally paid by the regulated industry for such specialists, and Tega Cay does not object.

2. Under the provisions of S.C. Code Ann. § 58-4-100, “[t]o the extent necessary to carry out regulatory staff responsibilities, the executive director [of ORS] is authorized to employ expert witnesses and other professional expertise as the executive director may consider necessary to assist the regulatory staff in its participation in commission proceedings.”
3. Section 58-4-100 also provides that the compensation and expenses for expert witnesses necessarily employed “be paid by the public utility or utilities participating in the proceedings upon order of the Commission or from the regulatory staff’s budget.”
4. Tega Cay agrees to reimburse ORS for the fees and cost of an expert witness as described in ¶ 1 above. ORS agrees pursuant to S.C. Code Ann. § 58-4-100 that if Tega Cay pays the compensation and expenses of an expert witness, “the compensation and expenses must be treated by the Commission, for ratemaking purposes, in a manner generally consistent with its treatment of similar expenditures incurred by utilities in the presentation of their cases before the Commission.”
5. ORS agrees and acknowledges that Tega Cay’s consent to this order does not mean or imply that Tega Cay has agreed to the introduction of any testimony by any employed expert or the expertise of any such ORS witness. ORS is solely

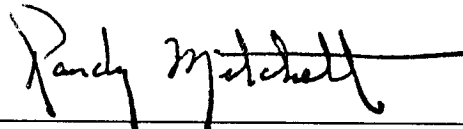
DOCKET NO. 2006-97-WS – ORDER NO. 2006-
MAY __, 2006
PAGE 3

responsible for the selection and employment of any expert witness or professional expertise and any effort by ORS to introduce testimony from any such employed expert in the above case will be subject to ORS meeting all evidentiary rules generally applied by the Commission in proceedings before it. Tega Cay specifically reserves its rights to interpose any objection to any such witness and his/her testimony or exhibits as permitted or recognized by South Carolina law (common and statutory), rules of evidence, rules of civil procedure, rules, customs and practices of the Commission, and federal and state constitutions.

Now, therefore, based upon the agreement of ORS and Tega Cay and under the provisions of S.C. Code Ann. § 58-4-100,

IT IS HEREBY ORDERED that Tega Cay shall reimburse ORS for the cost of an expert witness employed by ORS in connection with the above-captioned proceeding in an amount not to exceed \$10,000.00 for fees and in an amount not to exceed \$830.00 for travel expenses related to this matter.

BY ORDER OF THE COMMISSION.



Randy Mitchell, Chairman

ATTEST:

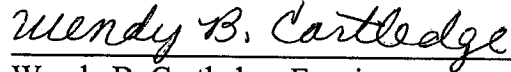


G. O'Neal Hamilton, Vice Chairman
(SEAL)

DOCKET NO. 2006-97-WS – ORDER NO. 2006-
MAY __, 2006
PAGE 4

WE CONSENT:

Representing the Office of Regulatory Staff



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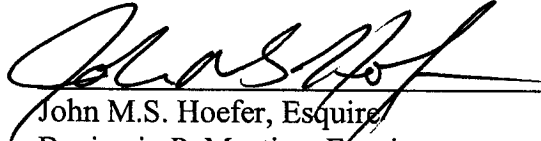
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WE CONSENT:

Representing Carolina Water Service, Inc.



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